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*Public Finance.* By C. F. BASTABLE. Second edition, revised and enlarged. New York and London, Macmillan & Co., 1895. —xx, 716 pp.

*The Science of Finance.* By GUSTAV COHN. Translated by T. B. VEBLEN. The University of Chicago Press, 1895. —xi, 800 pp.

*Natural Taxation.* An Inquiry into the Practicability, Justice and Effects of a Scientific and Natural Method of Taxation. By THOMAS G. SHEARMAN. New York and London, G. P. Putnam's Sons, 1895. —239 pp.

The second edition of Professor Bastable's *Public Finance* contains some forty additional pages, and is in some respects even better than the first. Not the least useful addition for practical purposes is an index. Merely bringing the book down to date was a matter of some importance, for the three years which intervened between the two editions were eventful ones in the world of finance. The legislative changes of those years involved such mooted questions of principle as progression and differentiation, and showed certain well-defined tendencies. The revision of the death duties and changes in the income tax in England, the reorganization of the tax systems of Prussia and Holland, and the ill-fated attempts in America to establish an income tax for the federal government and a progressive inheritance tax in Ohio — all took place in the interval, and called for amendments or additions.

There are two new chapters, one treating of "The Canons of Taxation," the other of "Taxes on Successions." In the former, which takes the place of a brief appendix in the first edition, the author examines the maxims of Adam Smith, Sismondi, Wagner and others, and after separating the wheat from the chaff suggests that six rules are worthy of retention, namely, the canons of productiveness, economy, just distribution, elasticity, certainty and convenience. The other new chapter is expanded from a few sections which in the first edition were included in the chapter dealing with "Taxes on Communications and Acts." The author approves of inheritance taxes only within moderate limits, and hence cannot sanction the recent increase in the English death duties. He maintains that high inheritance taxes tend to diminish capital and discourage saving, press heavily upon direct heirs, and result in evasion. These arguments against high rates he applies also to progressive rates.

Professor Bastable is magnanimous enough to acknowledge his

indebtedness to his critics, but it is only in some very minor points that he has adopted their suggestions. For the terms forward and backward *incidence* he has substituted the more correct expressions forward and backward *shifting*, and the treatment of international double taxation has been slightly expanded. But in other cases the author replies to his critics in footnotes, and leaves the text unaltered. In three and a half pages of fine print he defends his original classification of public revenues against the criticism of Professor Seligman, and declines to give a prominent place to fees and special assessments. He has, however, after reading Dr. Rosewater's monograph on *Special Assessments*, added a section on that topic to his chapter on local taxation.

In his new preface Professor Bastable makes the significant prediction that the chief points of controversy in the near future will refer to local finance; but except for the two or three pages devoted to special assessments, there is no corresponding recognition of the importance of municipal problems in the body of the work. Neither in the classification nor in the chapter on local revenues is there any mention of revenue from municipal franchises; it is not even suggested whether the receipts from this source are to be considered as corporation taxes, license fees, rent, or the profits of a delegated municipal undertaking. It still remains for some one to develop a complete theory of municipal economy.

Number one of the Economic Studies of the University of Chicago is a translation, by Dr. T. B. Veblen, of Cohn's *Science of Finance*, approved by the author after a reading and revision of the proofs. It is not to be expected that the brilliant style of the original could be retained in the translation; but Dr. Veblen has succeeded in the difficult task of making a German philosophical work readable to Americans. In so doing he has performed a real service, for the work deserves to be more widely read than it ever would have been in German. It is not a discussion of taxation merely, but a comprehensive treatise on public economy. There are some weak spots in Dr. Veblen's English rendering, due to an over-close adherence to the German. Few Americans, for instance, would recognize in the "contribution" our "special assessment." Book III, which described the German tax system of seven years ago, is omitted from the translation because of important changes introduced by subsequent legislation. The wisdom of this omission is doubtful; for the historical, if now superseded, practices described therein are of the utmost value to the American student.

At the Washington meeting of the American Economic Association in 1890 Mr. Thomas G. Shearman read a paper which he entitled "Crooked Taxation." That was the vivid and opprobrious name which he applied to indirect taxes, whether tariff or excise. To this paper he has now added equally severe indictments of the taxation of personal property and improvements, concluding that the only "natural taxation" is the tax on land values. He includes, however, the taxation of railroads, telegraphs and municipal monopolies, showing that their franchises involve the right to use strips of land. The book is of interest as an authoritative presentation of the claims of the "single tax, limited." Mr. Shearman's method and point of view differ widely from those of *Progress and Poverty*. He begins by showing the vulnerable points in existing systems of taxation, and proposes the tax on land values not for the purpose of abolishing landlords altogether, but merely as a much needed tax reform. In opposition to many critics of the single tax, he calculates that all needed revenue would absorb less than one-half of the unearned increment.

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*Eighth Biennial Report of the Bureau of Labor Statistics of Illinois: Subject, Taxation.* Springfield, Ill., State Printer, 1895.  
—xi, 491 pp.

For a bureau of labor statistics to devote an entire volume to the general property tax might seem, at the first blush, a work of supererogation. Not so, however; for the industrial salvation of the state of Illinois it is a work of necessity. The wage-earners of that state are in a condition of "industrial poverty," and "while the poverty of individual workingmen here and there may be explained by personal vices, industrial poverty cannot be so explained." "Tyranny" is "the cause of industrial poverty," and taxation is "the chief instrument of tyranny." Under such circumstances, it was clearly the duty of the bureau to "investigate and expose, in the interests of what is commonly distinguished as the laboring class, the liberty-destroying methods of taxation that prevail in Illinois."

By a large part of the newspaper press the present investigation and exposure, being the work of Governor Altgeld's appointees, will doubtless be dismissed with some wise remarks about socialists and anarchists. Nor can it be denied that the *Report* yields itself readily to flippant treatment; indeed, it almost invites ridicule. Still, in spite of the frequent crudity of its reasoning, and the general extravagance of its language, considerable portions of it deserve attention.